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Implementation of and follow-up to major United Nations conferences and summits: follow-up to the International Conference on Financing for Development

Summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the World Bank, the International Monetary Fund, the World Trade Organization and the United Nations Conference on Trade and Development (New York, 20 and 21 April 2015)

I. Introduction

1. The special high-level meeting of the Economic and Social Council with the World Bank, the International Monetary Fund (IMF), the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) was held in New York on 20 and 21 April 2015. The overall theme of the meeting was "Coherence, coordination and cooperation in the context of financing for sustainable development and the post-2015 development agenda". The meeting featured an opening address by the Secretary-General, a keynote address by the Deputy Prime Minister of Turkey, Ali Babacan, and statements on behalf of the Trade and Development Board of UNCTAD, the joint Development Committee of the World Bank and IMF, the International Monetary and Financial Committee of IMF and WTO.

2. The meeting was organized around a ministerial segment, statements by intergovernmental representatives and three thematic debates, each of which was followed by an interactive discussion. The ministerial segment focused on the theme "World economic situation and prospects". The thematic debates were organized around the themes of "Current challenges and emerging opportunities for mobilization of financial resources and their effective use for sustainable

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development on the road to Addis Ababa"; "Renewed global partnership for development in the context of the post-2015 development agenda"; and "Follow-up and the way forward: enhancing the role of the Economic and Social Council". The participants had before them a note by the Secretary-General (E/2015/52), in which background information was provided and possible questions for discussion under the above four themes were suggested.

3. The meeting was preceded by preparatory consultations and meetings between the Bureau of the Economic and Social Council and the executive boards of the World Bank and IMF, in addition to intergovernmental representatives and senior management of WTO and UNCTAD.

4. Speakers at the ministerial segment included five at the ministerial level and one European Commissioner. A significant number of Executive Directors and Alternate Executive Directors of the Boards of the World Bank and IMF, as well as senior staff of these institutions and other institutional stakeholders, including WTO and UNCTAD, attended the meeting. Also participating were high-level government officials in the areas of finance, foreign affairs and development cooperation, in addition to senior staff of organizations of the United Nations system and other international organizations, including the major institutional stakeholders. Representatives of civil society and the business sector also participated actively.

II. Opening of the special high-level meeting

5. The opening of the meeting featured statements by the President of the Economic and Social Council, Martin Sajdik (Austria), and the Secretary-General.

6. The President, in his statement, welcomed the participants to the meeting, noting that it was being held at a crucial juncture in the lead-up to the third International Conference on Financing for Development, to be held in Addis Ababa from 13 to 16 July 2015. He underlined that past regional and global financial and economic crises had shown that decades' worth of development gains could come undone in a matter of a few years. In that context, he highlighted the need to work towards a more cohesive and resilient global economic system. In 2015, the world economy had begun on a weak note, following subdued growth in 2014. While it was expected to strengthen over the coming two years, it had been hampered by major geopolitical tensions and humanitarian crises. Unemployment, especially youth unemployment, remained a key policy challenge worldwide, posing risks not only to the economic recovery in the short run but also to potential long-term growth. To mitigate those challenges, he called for strengthened international policy coordination and cooperation. In particular, macroeconomic policies worldwide should be aligned towards supporting robust and balanced growth, creating productive jobs and maintaining economic and financial stability in the long run. He noted that the mobilization of both public and private resources at the national level would be at the heart of financing sustainable development and meeting the sustainable development goals. At the same time, traditional development cooperation, and official development assistance in particular, would continue to play an important role, especially for countries with special needs. He stressed the need for a new global partnership for development, leveraging the strengths of all actors, including civil society, the private sector, local governments and national parliaments. That partnership should be based on equity, cooperation and

accountability, taking into account national realities and differentiated needs, capacities and levels of development. To be effective, it would require a strengthened and more robust monitoring and accountability mechanism, including a strong financing for development follow-up process.

7. In his statement, the Secretary-General said that the current meeting was an important step in the preparation for the Conference in Addis Ababa , as well as for the United Nations summit for the adoption of the post-2015 development agenda, to be held in New York in September 2015 and the twenty-first session of the Conference of the Parties of the United Nations Framework Convention on Climate Change, to be held in in Parise from November to December 2015. The strong engagement of the major institutional stakeholders and of the civil society and business sector representatives illustrated the unprecedented level of cooperation that had emerged during the common efforts to formulate a post-2015 development agenda. The Conference in Addis Ababa would provide a chance to devise a new international financial framework that would be predictable and effective in achieving sustainable and inclusive development. He outlined three key elements of a successful outcome in Addis Ababa: a cohesive and holistic financing framework for sustainable development; specific deliverables, in particular in crucial areas such as infrastructure, agriculture, social needs and support for small and medium-sized enterprises; and a strong follow-up process to ensure that no country would be left behind. He highlighted the need to tap into all sources of development finance: national and international, public and private. The zero draft of the outcome document emphasized the importance of combating illicit financial flows, including through national reforms and international tax cooperation. While the draft welcomed the work of the Group of 20 and the Organization for Economic Cooperation and Development (OECD) in that area, it also noted that those initiatives should be complemented by more inclusive deliberations at the United Nations to ensure that they benefited all countries, including the least developed countries. The draft stressed the need for continued official development assistance and the importance of reversing the declining trend of aid to least developed countries. It also emphasized the important role of development banks, private finance, technology, capacity-building and incentives to promote greater private investment in sustainable development. The zero draft also highlighted the need for an equitable multilateral trading system, sustainable debt and more inclusive global governance for sustainable development. He underlined that the financing needs for sustainable development were enormous. Success would rely on a revitalized and stronger global partnership for development.

8. In his keynote address, Mr. Babacan shared the views of the Group of 20 under the Turkish Presidency on the following: the global economic outlook, the Group's priorities at that juncture and the perspective and work of the Group on 20 on development. He observed that there was still no sustained recovery in the global economy, efforts to promote growth notwithstanding. He noted, however, the positive signals from major developed economies, including the eurozone, Japan, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. The picture was more nuanced in emerging market economies, although they still accounted for more than two thirds of the global growth. He stressed that the challenges to the global economic outlook persisted, especially the recent volatility in exchange rates, prolonged low inflation and low yields. He called for important reforms in the areas of labour market, social security, investment and

human capital. He also presented the three priorities of the Group of 20 Turkish Presidency for 2015. The first was inclusiveness. The Turkey would emphasize small and medium-sized enterprises, which generated up to 80 per cent of employment in some countries. He announced the launch of a world forum on small and medium-sized enterprises, as well as a new "Women 20" engagement group to enhance the role and effectiveness of women in business. He emphasized the efforts of Turkey to ensure that the interests of low-income countries would be fully taken into account in the work of the Group. The second priority area was implementation. Turkey would focus on the implementation of the more than 1,000 structural reforms committed by the States members of the Group countries. If implemented, these reforms could raise global growth by 2 per cent higher than normal by 2018. The third priority area was investment. The States members of the Group were expected to present specific and concrete investment plans at the summit, to be held in Antalya on 15 and 16 November 2015. He highlighted the importance of private resources for public investment and the need for standardization of public-private partnerships. He elaborated on the efforts of the Turkey to make the greatest possible contribution to the agenda on international development in 2015. He underscored the linkages between the proposed sustainable development goals and the main elements of the Group's development agenda, notably infrastructure, national resource mobilization, financial inclusion and remittances, food security and nutrition, and human resources development. He also indicated the aim to develop an energy access action plan with a particular focus on sub-Saharan Africa. The very first meeting of the Group's 20 energy ministers would be held in Istanbul in October 2015. Lastly, he called for a new era of work between humanitarian and development sectors, especially in relation to humanitarian financing. He said that the World Humanitarian Summit, to be held in Istanbul in May 2016, should provide a unique opportunity to address those issues.

III. Ministerial segment on theme 1: "World economic situation and prospects"

9. The morning session featured a ministerial segment on the theme of "World economic situation and prospects", followed by an interactive discussion. The segment featured statements by the Deputy Prime Minister and Minister of International Economic Integration and Reforms of Armenia, Vache Gabrielyan; the Minister of Finance and Public Credit of Colombia, Mauricio Cárdenas; the Commissioner for International Cooperation and Development of the European Union, Neven Mimica; the Minister for Finance of Sweden, Magdalena Andersson; the Minister of Development, Investment and International Cooperation of Tunisia, Yassine Ibrahim; the State Minister for Finance and Economic Development of Ethiopia, Abraham Tekeste; and the President of the Eurasian Economic Club of Scientists, Murat Karimsakov.

10. Mr. Gabrielyan noted that there was still an important role for public finance in development, but that that role was evolving. One of the most prominent options, especially for least developed countries, was private-public partnerships. Armenia was actively using the potential of those partnerships with the help of donors, especially the World Bank. One of the most promising possibilities of overcoming the supply bottlenecks in infrastructure for Armenia, a landlocked country, was to promote a more efficient use of existing infrastructure. Recognizing the important

role of the Economic and Social Council in preparing for the post-2015 agenda and the Conference in Addis Ababa, he expressed the readiness of Armenia to engage actively in the discussions to make sure that 2015 would become a year of opportunity.

11. Mr. Cárdenas stressed the success story of Colombia with regard to economic and social development. He indicated that the country had an investment rate of 30 per cent and had managed to decrease poverty considerably from a high of 40 per cent in 2009. However, falling commodity prices and expected increases in interest rates in the United States presented major threats to growth in many Latin American countries. The erosion of the tax base was one of the most important challenges for the mobilization of national resources for development. Tax revenues accounted for 22 per cent of gross domestic product (GDP) in Latin American countries and 34 per cent in developed countries. He underscored the importance of capacity development, efforts to combat tax evasion, promoting the exchange of information among developing countries and strengthening national development banks. He reiterated the commitment of Colombia to ensuring a successful outcome in Addis Ababa to provide the financing for the sustainable development goals in the post-2015 period.

12. Mr. Mimica reiterated that the European Union was committed to advancing global growth and prosperity and to providing more official development assistance. He highlighted that the Union accounted for 20 per cent of global GDP, but for more than half of global official development assistance. Nevertheless, the efforts by the Union were insufficient and he called on all providers to make clear commitments in line with their economic strength. The Union was the world's leading funder of the Aid for Trade initiative. It also provided significant grants and unilateral trade preferences. The Everything but Arms initiative provided free access to the Union market for all products from least developed countries, except arms and ammunition. He insisted that the benefits of global progress should be shared widely, noting that inequality not only compromised human dignity but also had a negative impact on growth potential. He underscored that the financing for development and post-2015 tracks should merge into a single overarching agenda, supported by a solid monitoring mechanism to ensure credibility, consistency and impact.

13. Ms. Andersson highlighted two main challenges: climate change and gender equality. Given that the fall in oil prices discouraged a move away from carbon-based fuel, she underlined that the need to introduce carbon taxes or restrictions on emissions was greater than before. She emphasized that Sweden had 20 years of experience with a carbon tax and that it had the highest carbon tax in the world. Since 1991, the GDP of Sweden had increased by 60 per cent, whereas carbon emissions had dropped by 20 per cent. She used those data to illustrate that it was possible both to enjoy growth and to reduce emissions. She also stressed that promoting gender equality would increase growth potential. She highlighted that official development assistance was an important but limited source of development financing and that it should be used to unleash the potential of other financing sources. She reiterated the commitment of Sweden to meet the official development assistance target of 0.7 per cent of GNI, and to meeting and exceeding 50 per cent of such assistance to least developed countries. National resource mobilization would play a key role. In that respect, she welcomed the proposals in the zero draft

outcome document for the Conference in Addis Ababa to increase tax revenues progressively.

14. Mr. Ibrahim shared his impressions of the discussions on commodity prices that were held at the spring meetings of IMF and the World Bank Group in Washington, D.C., from 17 to 19 April 2015. He raised some particular issues, including reforms in the energy sector and the elimination of energy subsidies. Over the past four years, Tunisia had launched an ambitious programme of reforms to improve competitiveness and to make the country more attractive to international investors. At the same time, the Government was working with the United Nations to meet national economic and social goals. He used that opportunity to thank all international organizations, especially the United Nations, for their support. He indicated that the Government was working on a five-year plan for the period 2016-2020.

15. Mr. Tekeste pointed out that the recovery of the world economy was not proceeding at the desired pace and that growth might be moderate in the coming years. New challenges were beginning to emerge in different parts of the world. The commitment of the international community to the transformative development agenda was extremely important during that period. The effective implementation of the sustainable development goals required all sorts of financing: private and public, national and international. At the national level, the necessary environment needed to be created for the meaningful participation of the private sector. At the international level, he underlined that official development assistance or international public finance remained important, in particular for least developed countries, to attain the goals. He emphasized that international financial and trade institutions had a much greater role to play in future development, especially in ensuring a stable global financial and trading system, providing support for the least developed countries and making the necessary resources available for infrastructure development. Beyond financing bankable projects, those institutions should continue to provide support for national resource mobilization, capital market development, foreign direct investment, capacity-building and technical assistance.

16. Mr. Karimsakov shared the results of the first and second world anti-crisis conferences in Astana. The first was held in May 2013 with 3,000 experts and officials from 104 countries, including ministers of finance and heads of central banks. The second was held in May 2014 with the participation of 4,000 delegates from 136 countries. The goal was to work out the World Anti-Crisis Plan that had been presented at the sixty-eighth session of the General Assembly.

17. In the ensuing discussion, the following points were raised: respecting the policy space of national Governments in the area of public finances; reforming international financial institutions and the global monetary system to ensure the full representation of developing countries; meeting the official development assistance targets of 0.7 per cent of GNI, with at least 0.20 to 0.25 per cent of GNI allocated to least developed countries; making global fiscal policy more countercyclical and more equitable; and designing new development indicators other than GDP, such as multidimensional poverty. It was also noted that the current levels of official development assistance were insufficient to achieve the sustainable development goals, especially for some recipient countries.

IV. Statements by institutional stakeholders

18. The morning session concluded with statements by the Vice-President, Trade and Development Board, UNCTAD, Luis Manuel Piantini Munnigh (Dominican Republic); Corporate Secretary and President's Special Envoy, World Bank Group, Mahmoud Mohieldin; Deputy Secretary of IMF and Acting Secretary of the International Monetary and Financial Committee Calvin McDonald; and Deputy Director-General, WTO, Yi Xiaozhun.

19. Mr. Munnigh reiterated the important role of trade as a key enabler and means to achieve inclusive economic growth and sustainable development. Open, universal, rule-based and non-discriminatory participation in international trade could deliver key benefits to developing countries. He underlined that UNCTAD had developed an action plan for private investment in the sustainable development goals, with some priority packages: a new generation of investment promotion strategies and institutions; investment incentives oriented towards the goals; regional sustainable development goals investment compacts; new forms of partnership for sustainable development goals investment; enabling innovative financing mechanisms and a reorientation of financial markets; and changing the global business mindset and developing goals investment expertise.

20. Mr. Mohieldin noted that, in April 2015, participants in the joint World Bank/IMF Development Committee meeting had welcomed the participation of the Secretary-General, the President of the General Assembly, the co-facilitators of the post-2015 development agenda and the preparatory process for the Conference in Addis Ababa, a delegation of high-level officials from the United Nations, and the heads of the multilateral development banks. Ministers had acknowledged that achieving the sustainable development goals would require a transformational vision that built on the lessons of the Millennium Development Goals and combined all potential sources of financing, including more effective and catalytic use of official development assistance, in particular for the poorest; strengthening national resource mobilization, promoting sound public financial management and addressing the challenge of illicit finance; promoting private finance and investment; and coordinating action on global issues. The Committee had recognized that achieving the sustainable development goals would also require countries to deal with the challenges and consequences of climate change and natural disasters. The members had commended the World Bank Group's commitment to mainstreaming low-carbon development and disaster risk management while maintaining focus on its poverty eradication mandate, and further encouraged efforts and financing to contribute to the success of the twenty-first session of the Conference of the Parties of the United Nations Framework Convention on Climate Change, to be held in Paris in December 2015. The Committee had highlighted the recent plunge in oil prices and noted the significant real income shift from oil exporters to oil importers, with a net positive effect on growth in developing countries, which created challenges for policymakers in oil-exporting countries, but also provided a favourable environment for subsidy and tax reforms for more inclusive and sustainable growth.

21. Mr. McDonald focused on the role of IMF in supporting countries in a global economy characterized by uneven growth, declining oil prices, sharp variations in exchange rates and market volatility. With regard to fiscal policy, he pointed out that IMF would continue to provide advice on how to make fiscal policy supportive of

short-term and long-term growth; calibrate fiscal packages and reduce public debt overhangs; and manage fiscal risks. With regard to monetary policy, IMF would continue to assess the impact of asynchronous or timing differences in their implementation. That included how to strengthen the effectiveness of macroeconomic policy transmission, manage disruptive exchange rate movements, mitigate financial stability risks and capital flow volatility, and respond to falling commodity prices and disinflationary pressures. IMF would deepen macrofinancial analysis and support members in addressing financial stability risks, and advise on addressing debt overhangs, especially in the eurozone. It would continue to identify and analyse macrocritical structural reforms to make growth sustainable, job-rich and inclusive, leveraging the expertise of other institutions. Lastly, he underscored that the implementation of the 2010 IMF quota and governance reforms remained a priority. IMF was fully committed to working expeditiously with its members to pursue an interim solution to make meaningful progress in the key areas of the reforms.

22. Mr. Yi stated that WTO remained fully committed to the discussion of the post-2015 agenda and the financing for development process. He said that, as WTO celebrated its twentieth anniversary in 2015, the organization and its rules governing world trade had proved their worth in the context of the Millennium Development Goals. He outlined some key areas where WTO should play an important role in the post-2015 development agenda, such as the Agreement on Trade Facilitation, the implementation of the rest of the Bali package and the work on Aid for Trade and the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries. WTO will have the Fifth Global Review of Aid for Trade from 30 June to 2 July 2015 under the theme of "Reducing trade costs for inclusive, sustainable growth". High trade costs acted as an obstacle to the trade integration of many developing countries, in particular the least developed countries. The most recent figures on Aid for Trade flows indicated that commitments to least developed countries stood at $8.8 billion in 2012, up from $7.2 billion in 2011. He drew attention to the problem of access to trade finance. He highlighted that up to 80 per cent of global trade was supported by some form of financing or credit insurance. Nevertheless, in many countries there was a lack of capacity in the financial sector to support trade and a lack of access to the international financial system. The situation had worsened after the financial crisis, as global private financial institutions had been withdrawing from the least developed countries. He expressed the commitment of WTO members and the Director General to put trade finance on the agenda of the Conference in Addis Ababa.

V. Thematic debate on theme 2: "Current challenges and emerging opportunities for the mobilization of financial resources and their effective use for sustainable development on the road to Addis Ababa"

23. The thematic debate featured presentations and statements by the Minister for Foreign Trade and Development Cooperation of the Netherlands, Lilianne Ploumen; the co-facilitators of the preparatory process for the Conference in Addis Ababa, George Talbot (Guyana) and Geir O. Pedersen (Norway); the Secretary-General of UNCTAD, Mukhisa Kituyi; and the Under-Secretary-General for Economic and

Social Affairs and Secretary-General of the third International Conference on Financing for Development, Wu Hongbo.

24. Ms. Ploumen noted that, at the IMF/World Bank spring meetings in April 2015, the participants had emphasized how to move "from billions to trillions". She indicated that the discussions had focused on official development assistance, national resource mobilization and the importance of engaging the private sector. She underlined that official development assistance was and remained of key importance to those in greatest need, such as least developed countries, small island developing States and fragile and conflict-affected countries. With regard to national resource mobilization, she emphasized three points: multilateral and bilateral support to capacity-building for national tax administrations; inclusion of anti-abuse measures in all new bilateral tax treaties between advanced and developing countries, and revising existing treaties to curb tax avoidance; and more inclusive dialogue on tax base erosion and profit-shifting. She expressed the support of the Netherlands for stronger international cooperation on tackling tax avoidance. Lastly, she called for the use of all available financial sources, including private finance. She stressed that innovative finance should help to leverage additional private resources, especially through multi-stakeholder partnerships.

25. Mr. Talbot pointed out three challenges ahead: change, skill and response ambition. Change was given by making sustainability the defining paradigm of the future, as found in the sustainable development goals. In his view, the main question was how to build confidence to ensure that all partners were committed to delivering on a very ambitious agenda. The challenge of skill was about how to deal effectively with such established goals and how to mobilize the necessary resources. Response ambition referred to a credible framework for implementation and specific deliverables that matched the demands of the post-2015 development agenda. Mr. Pedersen highlighted the need for new and fresh ideas, especially for cross-cutting initiatives and synergies. He acknowledged broad agreement on the role of official development assistance, the need to mobilize national resources and increase taxation, and the key role of the private sector.

26. Mr. Kituyi welcomed the repeated calls for stronger international action to mobilize national public finance for development paid for by taxes and to promote the role of private finance in meeting the sustainable development goals. He emphasized three additional actions for the financing for development process. First, he recalled the holistic nature of the Monterrey Consensus to ensure that the agreement arising from the Conference in Addis Ababa would be comprehensive and forward-looking. He stressed that financing for development was not only about aid, taxes and the private sector but also about paying greater attention to systemic issues such as capacity-building, technology and innovation, as well as updating the approach to trade and investment issues at large. Second, he said that such an agreement from the Addis Ababa Conference should fully recognize the importance of trade and investment and highlight their role in national development strategies. In particular, financing for development required support for capacity-building activities such as trade facilitation, trade diversification, improving understanding of non-tariff measures and improving collection of trade-related revenues. Third, he emphasized the importance of sustainable governance of international investment. He called for highlighting the role that the international community could play in facilitating regional and global investment in trading activity through regional infrastructure and technical support.

27. Mr. Wu focused on the preparations for the Conference in Addis Ababa. He stated that it presented a unique opportunity to adopt a strong financing framework for sustainable development and provide the means of implementation for the post-2015 development agenda. He stressed the ongoing intensive period of preparations for the Conference, including the second drafting session of the outcome document and the joint session between the financing for development and the post-2015 processes, as well as IMF/World Bank spring meetings in April 2015, where the Secretary-General had made the case for an ambitious outcome and the highest level of participation in the Conference. He also outlined the key points that had emerged from the regional consultations on financing for development organized by the United Nations regional commissions. The participants had emphasized the importance of national resource mobilization and the need for reforms at the national and international levels, for example, to combat illicit financial flows and curtail tax avoidance and evasion, and to ensure greater and more inclusive international cooperation in tax matters. There had been strong calls upon donors to meet their official development assistance commitments of 0.7 per cent of GDP. Some had called for more ambitious official development assistance targets. With regard to the private sector, there had been some discussion of the impediments to all private finance and investment becoming sustainable. The role of migrant communities in mobilizing domestic and international private resources had also been discussed. In his capacity as Secretary-General of the Conference in Addis Ababa, he reiterated his commitment to making the Conference a success and to working closely with the heads of the World Bank Group, IMF, WTO, UNCTAD and the United Nations Development Programme (UNDP) to mobilize high-level political support for the Conference.

28. In the ensuing discussion, participants drew attention to the importance of job-intensive growth, national resources for development financing, tax compliance and tax capacity, official development assistance, private sector and corporate social responsibility and technology transfer, as well as efforts to prevent debt crisis and to carry out debt restructuring. It was suggested that climate finance and development finance should be accounted for separately. Carbon prices and subsidies for energy were also discussed.

VI. Thematic debate on theme 3: "Renewed global partnership for development in the context of the post-2015 development agenda"

29. The thematic debate featured presentations by the Co-Dean of the Board of Executive Directors of the World Bank Group, Hervé de Villeroché; the Executive Director of the Mexican Agency for International Development Cooperation, Juan Manuel Valle Pereña; the Assistant Administrator and Director of the Bureau for Policy and Programme Support of UNDP, Magdy Martínez-Solimán; and the Deputy Director of the Development Cooperation Directorate of OECD, Brenda Killen.

30. Mr. de Villeroché observed that the discussions at the IMF/World Bank spring meetings in April 2015 demonstrated how useful it was to deepen the relationships and exchange of views between various institutions. He noted that the joint paper, "From billions to trillions: transforming development finance", prepared by the

World Bank Group, IMF and multilateral development banks, offered a new paradigm of how to use official development assistance, national resources, public and private funds, and innovative sources to finance development. In his view, the main challenge ahead was how to concretize the collective vision over the coming fifteen years. Official development assistance was essential for low-income developing countries, fragile states and countries affected by conflict. Nevertheless, there was a need to bring in remittances of migrants and foreign direct investment, and to make fiscal systems more effective. He pointed out other challenges, such as climate change and public health, that required coordinated action before and after the Conference in Addis Ababa.

31. Mr. Pereña remarked that the former Millennium Development Goals paradigm had been driven by the donor-recipient dichotomy and would no longer be applicable to yield results in the context of the post-2015 development agenda and the sustainable development goals. He called for partnerships to be at the core of the new development agenda during the period 2015-2030. It was important to share public policies that had proved successful. Civil society, besides being a constant reminder of responsibilities and areas of opportunity, was collaborating in the oversight and implementation of important development projects. Triangular cooperation between Southern and traditional partners was growing. South-South cooperation had to become more successful. In that respect, he pointed out the need to strengthen the data collection capacity of South-South cooperation. Effective South-South cooperation relationships were often characterized by inclusive and horizontal partnerships and networks based on equity, trust and mutual learning. He indicated that Mexico had promoted the need to share methodologies and data collection practices through international cooperation. He added that the Global Partnership for Effective Development Cooperation could be a platform for exchanging experiences and building a community of practice where demand could meet supply, with specific and tangible effects on development cooperation, coordination and implementation.

32. Mr. Martínez-Solimán noted that financing in the Millennium Development Goals era was often conceived as adding up the resources available to developing countries from different sources — for example, domestic resources, foreign direct investment and remittances — to meet the Goals and then fill in the gap with official development assistance. He underscored that that approach was insufficient. The universality and breadth of the new agenda would require moving from filling gaps to mobilizing very large financial flows — from billions to trillions, as highlighted by the World Bank and other institutions. However, the quality and quantity of official development assistance would remain crucial, in particular for least developed countries. In that context, he voiced concern that total aid had grown while the share allocated to the poorest countries and to Africa had recently been decreasing. The post-2015 development agenda was much larger than aid and could not be achieved through public finance alone. Incentives would be needed to ensure that private investment decisions could move the world towards sustainable development aspirations. In the future, business operations and results should contribute directly to the achievement of the sustainable development goals in ways that went beyond corporate social responsibility and philanthropy. He also stressed the importance of learning how to operate in the presence of numerous shocks to the world economy and increased volatility.

33. Ms. Killen emphasized that partnerships had been a hallmark of the work of OECD for the past 50 years. OECD saw its role as twofold: first, holding its members to account for their development commitments; and, second, facilitating inclusive multi-stakeholder partnerships among OECD members and with low-income and middle-income countries, the private sector and civil society to enhance collective impact. She mentioned some of the platforms, tools and good practices that OECD had developed and that could contribute to a renewed global partnership for sustainable development. Those included the joint work with the United Nations to support the Global Partnership for Effective Development Cooperation as well as a range of other dialogue platforms to share experiences on best practices and effective policy implementation in the areas of public sector reforms, taxes, direct investment, innovation, green growth, multinational enterprises, gender equality, fragility and conflicts. She added that peer review mechanisms were another distinguishing feature of OECD's international cooperation toolkit. She outlined four success imperatives for successful partnerships in the post-2015 era: secure high-level leadership; ensure that partnerships were country-led and context-specific; agree on principles, targets, implementation plans and enforcement mechanisms; and maintain a clear focus on results.

34. In the ensuing discussion, some participants raised the issues of young emerging donor countries and the need to facilitate access to credit and to increase the share of exports in GDP. The negative economic implications of climate change for developing countries were also highlighted, as was the need to find more resources to finance the broad set of sustainable development goals. There was a call to strengthen the engagement of civil society and young people in the post-2015 development agenda.

VII. Presentation on "world economic situation and prospects"

35. The Chief of the World Economic Studies Division of IMF, Thomas Helbling, presented the highlights of IMF's *World Economic Outlook* (April 2015). According to IMF forecasts, global growth was to remain moderate and uneven in 2015, with some improvement expected in 2016, owing mainly to the tensions produced by the sharp fall in oil prices accompanied by further declines in long-term interest rates and inflation, as well as the continuing exchange rate realignment among major currencies. Although lower oil prices were a small net positive for the world economy, the downside risks had rotated from developed economies to emerging markets, especially energy exporters, and a lower potential growth in developed and major emerging market economies weighed on demand. It was therefore important to use the opportunities offered by low oil prices to build up a fiscal buffer. To date, most oil exporters had managed to maintain expenditure levels by increasing fiscal deficits. The recent United States dollar appreciation and the yen and euro depreciations had also been a net positive, boosting global demand. However, the potential risks of capital flows reversal and financial instability were real concerns for developing countries. In particular, the expected tightening by the Federal Reserve in mid-2015 raised the possibility of a "taper tantrum" with wide repercussions. Many African and low-income countries appeared to have achieved a permanent upward shift in their trend growth thanks to improved policies, structural changes and human capital improvement, the ending of the cyclical overheating and fall in commodity prices notwithstanding. Nevertheless, growth in emerging market

economies had become extensive, relying on capital and labour expansion rather than productivity growth, and expectations of lower potential growth and the ongoing slowing in China could hamper investment.

36. In the ensuing discussion, participants asked questions about specific effects of world economic trends and prospects for the post-2015 development agenda, the implications of the slowdown of growth in China, the consequences of lower commodity prices for growth in Latin America, the forecasts of exchange rates for major currencies and the duration of crisis legacies. Mr. Hebling underlined that capital flows to emerging markets and developing economies remained strong, although lower than pre-crisis levels. Policy frameworks had adjusted and many economies had adopted new rules to manage capital flows. He stressed that the slowdown in China had been expected and was in part policy-induced. Some surprises in the dynamics of commodity prices were not caused by China and the slowdown of its economy. There were other powerful, non-market factors, such as sanctions and outages of production owing to geopolitical reasons. In terms of currency fluctuations, the concern was that, once exchange rates movements were set in motion, they would often develop a life of their own, so there might be another dollar cycle and the adjustment would continue for some time. As to crisis legacies, he said that growth for the major advanced economies was to remain relatively modest over the coming five years.

VIII. Thematic debate on theme 4: "Follow-up and the way forward: enhancing the role of the Economic and Social Council"

37. The thematic debate featured presentations by the Permanent Representative of Colombia to the United Nations and Vice-President of the Economic and Social Council, María Emma Mejía Vélez, and the Permanent Representative of the Republic of Korea to the United Nations and Vice-President of the Council, Oh Joon.

38. Ms. Vélez said that the Economic and Social Council should play a key role in the follow-up to the post-2015 development agenda and the Conference in Addis Ababa. She mentioned that the Annual Ministerial Review of the Economic and Social Council in July 2015 and the quadrennial comprehensive policy review in 2016 would make an important contribution. She stressed the importance of cooperation and coordination throughout the United Nations system. She said that the new architecture for follow-up and review should be based largely on the experiences of the voluntary national presentations at the annual ministerial reviews. With regard to follow-up mechanisms, she noted that the roles of the high-level political forum on sustainable development, the General Assembly and the Economic and Social Council was yet to be discussed and determined. She added that the first level of accountability was at the national level.

39. Mr. Oh stressed that economic growth and job creation were essential for mobilizing development resources. He highlighted three main elements for the way forward: integration, implementation and interaction. First, the Economic and Social Council was supposed to promote the integration of the three aspects of the sustainable development — economic, social and environmental — in the United Nations system and beyond. Second, the Council would play a central role in the

implementation of the post-2015 development agenda and in the follow-up to the implementation of decisions of past world summits and conferences. Third, the interaction function of the Council was determined by the fact that it had been mandated to serve as a platform to coordinate global, regional and national development activities. He emphasized that the strength of the Council lay in partnership with the subsidiary bodies and various institutions and stakeholders. The Council could connect the new development agenda, the operations of the United Nations development system and financing for development. As such, the regular exchanges and the annual special high-level meetings with the World Bank, IMF, WTO and UNCTAD would continue to be particularly useful for all parties involved.

40. In the ensuing discussion, representatives of civil society proposed ways to strengthen the special high-level meeting of the Council with the World Bank, IMF, WTO and UNCTAD in the follow-up to the Conference in Addis Ababa, especially on its format, structure and substantive focus, as well as the interactions between the Council and international financial institutions. The issue of accountability at the national and global levels was also discussed, with some references to peer reviews as useful instruments.

IX. Concluding remarks by the President of the Economic and Social Council

41. The President of the Economic and Social Council expressed thanks to all participants for the constructive spirit of engagement and valuable contributions to the debate, noting that the meeting had brought together the key players involved in deliberations on the post-2015 development agenda and its means of implementation.

42. He summarized the main features of the discussions, noting, among other things:

(a) That the road to Addis Ababa was challenging. The global economic outlook was uneven and there was no room for complacency. Unemployment remained very high, in particular among young people. Yet, recent economic trends were sending positive signals. It was important to create enabling national and global environments for development. A strong global economy was fertile ground for development, while a weak one would have pronounced economic implications. A package of ambitious structural reforms should be put in place in many areas, including labour markets, social sectors, infrastructure and energy. These reforms would be vital for the achievement of the post-2015 development agenda;

(b) That all sources of development finance — public and private, national and international — were needed. Official development assistance would remain crucial in the new financing framework, especially for poor countries and those in special situations. At the same time, such assistance alone would not suffice and additional resources for the new universal agenda should be made available;

(c) That the importance of strengthening tax collection capacity and tax compliance, as well as addressing illicit financial flows, had been underscored several times;

(d) That, with regard to the private sector, many participants had underlined the potential and importance of small and medium-sized enterprises, in terms of both economic growth and job creation;

(e) That the development agenda should also recognize the need for coherence and consistency in the trading system, working to address distortions in trade, non-tariff measures, tariff peaks and other policies that harmed developing countries. Completing the Doha Round was important to fully harness the potential for trade and investment;

(f) That some participants had called for the strengthening of the role of the United Nations in global economic governance and international cooperation in tax matters. There had been calls for governance reforms of international financial institutions to improve the voice and representation of developing countries.

43. He called for the strong engagement of all relevant stakeholders in tackling the challenges ahead in formulating and implementing a new global financing framework, stressing that the Council stood ready to play its part.